

Message Text

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E.O. 11652: N/A

TAGS: EGEN, PL

SUBJECT: JAROSZEWICZ SPEECH ON IMPLEMENTATION OF THE ECONOMIC
PLAN

1. SUMMARY. PREMIER PIOTR JAROSZEWICZ ON JANUARY 19 ADDRESSED A SPECIAL CONFERENCE OF PARTY AND GOVERNMENT OFFICIALS ON THE REQUIREMENTS FOR IMPLEMENTING THE ECONOMIC PLAN FOR 1977 AND 1976-1980. THE CONSUMER-ORIENTED THEME OF THE PLAN WAS AGAIN EMPHASIZED. THIS WAS THE MOST UP-BEAT SPEECH DELIVERED BY JAROSZEWICZ IN THE LAST 6 MONTHS, REFLECTING A GROWING SENSE OF CONFIDENCE IN THE POLISH LEADERSHIP THAT THE WORST MONTHS OF CONSUMER DISSATISFACTION ARE BEHIND THEM. WITH ONE EYE STILL ON THE IMMEDIATE PROBLEM OF CONSUMER GOODS AVAILABILITY, JAROSZEWICZ SAID THE GOVERNMENT WOULD ASSUME THE "TIMELY IMPORT" OF PLANNED QUANTITIES OF MEAT AND CONSUMER GOODS. SEVERAL NEW POINTS--INCLUDING THE ESTABLISHMENT OF FULL-TIME PZPR REPRESENTATIVES IN GOVERNMENT MINISTRIES AND "CENTRAL AGENCIES" IN ORDER TO INCREASE THE ROLE OF THE PARTY IN ECONOMIC AND GOVERNMENT ADMINISTRATION--REFLECT THE FELT NEED FOR NEW APPROACHES TO IMPLEMENT THE POLICY OF ECONOMIC RES-
TRAIT. END SUMMARY.

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2. PREMIER JAROSZEWICZ GAVE THE MAIN ADDRESS TO A SPECIAL CONFERENCE OF PARTY AND GOVERNMENT OFFICIALS HELD ON JANUARY 19 TO DISCUSS THE IMPLEMENTATION OF THE ECONOMIC PLANS FOR 1977 AND 1976-1980. THE CONFERENCE WAS ATTENDED BY FIRST SECRETARY GIEREK, GOVERNMENT MINISTERS, AND WOJWEODAS FROM THROUGHOUT POLAND. JAROSZEWICZ FAVORABLY APPRAISED THE ECONOMIC

RESULTS ACHIEVED IN 1976, ALTHOUGH HE ACKNOWLEDGED THE MARKET SCARCITIES WHICH HAD ARISEN. HE REPEATED THAT TIME WAS THE ONLY CURE FOR THE PROBLEM OF MEAT SUPPLIES, BUT SAID GOVERNMENT POLICIES WERE ALREADY RESULTING IN THE REPLENISHMENT OF LIVESTOCK POPULATIONS. (COMMENT: THIS SELF-CRITICISM, HOWEVER, FELS SHORT OF THE SOMBER "PLEASE HOLD ON" SPEECHES OF LAST AUTUMN. THE NEW MOOD AND MESSAGE IS "LET'S GET MOVING," WITH A LITTLE WHIP-CRACKING FOR GOOD MEASURE. END COMMENT)

3. JAROSZEWICZ AGAIN EMPHASIZED THE MAIN POINTS OF THE NEW ECONOMIC POLICY--INCREASED DELIVERIES OF FOOD PRODUCTS AND CONSUMER GOODS, MORE RESIDENTIAL HOUSING CONSTRUCTION, DECREASED RATES OF INVESTMENT, HIGHER QUALITY OF PRODUCTION, AND AN ACCELERATED EXPORT DRIVE. HE WENT SOMEWHAT FURTHER THAN PREVIOUSLY IN DESCRIBING STEPS WHICH WILL BE TAKEN TO HELP IMPLEMENT THESE NEW POLICIES.

--WOJEWODAS WILL BE LISTENED TO CAREFULLY IN ORDER TO SPEED THE DESIRED GROWTH IN THE SERVICES SECTOR AND TO MAKE SURE THAT THIS IS DONE IN ACCORDANCE WITH REGIONAL NEEDS.

--NEW PROCEDURES WILL BE DEVISED FOR IMPROVING COMMUNICATION AMONG FACTORIES AND RETAIL OUTLETS IN ORDER TO IMPROVE THE RESPONSE TO MARKET CONDITIONS, AND RETAIL ORGANIZATIONS WILL HAVE GREATER VOICE IN SELECTING CONSUMER GOODS FOR IMPORTATION.

--ECONOMIC UNITS WILL HAVE TO ACHIEVE MONTHLY TRADE BALANCES ESTABLISHED THROUGH DIRECTIVE. (COMMENT: THIS MONTHLY "SALDO" SEEMS TO BE A CONTINUATION OF THE CURRENT SYSTEM, BUT MAY BE LIMITED OFFICIAL USE

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STRICTER IN ITS APPLICATION. END COMMENT.)

--MONTHLY AND QUARTERLY TARGETS WILL BE ESTABLISHED FOR HOUSING CONSTRUCTION.

--MODIFICATIONS WILL BE INTRODUCED INTO THE "WOG" ECONOMIC SYSTEM, EXISTING SINCE 1973, WITH GREATER EMPHASIS ON VALUE-ADDED CRITERIA FOR MEASURING PERFORMANCE, COST REDUCTION AND INVESTMENT EFFICIENCY, AND GREATER FINANCIAL CONTROL.

--FALLOW LAND WILL BE BROUGHT INTO AGRICULTURAL PRODUCTION AS SOON AS POSSIBLE AND THE PRIVATE FARMERS WHO CEASED HOG PRODUCTION OVER THE LAST FIVE YEARS WILL BE ENCOURAGED TO BEGIN AGAIN, THUS MARKING A SLIGHT DEPARTURE FROM PREVIOUS PLANS TO CONCENTRATE ON SPECIALIZED FARMS FOR ANIMAL PRODUCTION.

--FARM INCOMES WILL RISE FASTER THAN NATIONAL INCOME DURING THE 5-YEAR PLAN (55 PERCENT VERSUS 42 PERCENT).

4. JAROSZEWICZ'S LAST ADMONISHMENT WAS TO INCREASE WORKER AND PARTY DISCIPLINE, TO MOVE SWIFTER TO RESPOND TO CRITICISM FROM WORKERS AND THE PRESS, AND TO FURTHER ENCOURAGE THE CONSTRUCTIVE CHARACTER OF THIS CRITICISM.

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5. THE PREMIER NOTED THAT MANY EXECUTIVES ARE ASKING QUESTIONS ABOUT CHANGES IN THE OPERATION OF THE ECONOMY. WHILE ADMITTING THAT FURTHER CHANGES WERE REQUIRED, HE EMPHASIZED THAT THEY MUST DEPEND ON PRACTICAL EXPERIENCE. HE SPECIFICALLY MENTIONED THAT MORE RESEARCH NEEDED TO BE DONE TO STREAMLINE CENTRAL PLANNING METHODS AND THE OPERATION OF CENTRAL ADMINISTRATIVE INSTITUTIONS. HE FURTHER EMPHASIZED THAT THE ROLE OF PARTY ORGANIZATIONS IN MINISTRIES AND CENTRAL OFFICES WILL BE INCREASED AND THAT FULL-TIME PARTY REPRESENTATIVES WILL BE PLACED IN MINISTRIES AND CENTRAL ORGANIZATIONS TO STRENGTHEN THE PZPR'S ROLE IN GOVERNMENT AND ECONOMIC ADMINISTRATION.

6. COMMENT: WHILE JAROSZEWICZ'S RENEWED SELF-CONFIDENCE REPRESENTS GOOD NEWS FOR SOME POLES, IT COULD BE BAD NEWS FOR POLAND'S ECONOMIC REFORMERS. THE PRIME MINISTER'S EMPHASIS ON CENTRAL PLANNING AND AN INCREASED ROLE FOR THE PARTY IN ECONOMIC ACTIVITIES COULD WORK AGAINST THE HOPED-FOR CHANGES IN THE OVERALL MANAGEMENT OF POLAND'S ECONOMY. THIS INTERPRETATION SQUARES WITH POLAND'S PREVIOUS PERFORMANCE ON REFORMS, WHERE THE ENERGETIC EFFORTS AT REFORM PLANNING WHICH WERE BEGUN DURING HARD TIMES WERE STALLED ONCE THE PICTURE IMPROVED SOMEWHAT. UNDERSTANDBLY, PARTY OFFICIALS

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SEEM PREPARED TO SURRENDER SOME OF THEIR ECONOMIC POWERS
ONLY WHEN THE SAD STATE OF THE ECONOMY GIVES THEM NO OTHER
OPTION. END COMMENT.
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